

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, AUGUST 4, 2009

The meeting of the State Properties Committee was called to order at 10:03 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Genevieve Allaire-Johnson representing the Rhode Island Department of Attorney General in the absence of Richard Woolley; John A. Pagliarini, Jr., Public Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Robert C. Bromley from the Rhode Island Senate Fiscal Office; Michael Mitchell, John Ryan, Arthur Jockmann and Deborah White from the Rhode Island Department of Administration; Romeo Mendes from the Rhode Island Water Resources Board; Richard Delfino from the Rhode Island Department of Corrections; Thomas Getz, Mary E. Kay and Lisa Primiano from the Rhode Island Department of Environmental Management; Mercedes Monteiro from the Rhode Island Historical Preservation & Heritage Commission; Paul Carcieri, Robert B. Jackson, Colleen Kerr, Susan Howe and Christine Brien from the Rhode Island Department of Transportation; Barbara Sokoloff from Barbara Sololoff Associates Inc; and Sister Ann Keefe and Teny O. Gross from the Rhode Island Institute for the Study and Practice of Nonviolence.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the regular minutes from the State Properties Committee meeting held on July 21, 2009, as amended, by Mr. Pagliarini and seconded by Mr. Griffith. Said motion passed three (3) votes “Aye” and one (1) abstention.

Three (3) Votes “Aye”

Mr. Pagliarini

Mr. Griffith

Chairman Flynn

One (1) Abstention

Genevieve Allaire-Johnson

ITEM A – Water Resources Board – A request was made for approval of and signatures on a License Agreement by and between the Water Resources Board and The Rhode Island Aeromodelers Association to allow the Association to utilize Beattie Field located within the Big River Management Area in the Town of West Greenwich to fly model plans. Mr. Mendes indicated that the License Agreement is for a term of one year with the option to renew the term of the Agreement for additional periods of one (1) year for a period of up to nine (1) years. Mr. Mendes indicated that the Association has provided the appropriate certificate of insurance on an annual basis with the current certificate being included in the package forwarded to the

State Properties Committee. Mr. Mendes stated that the Association's members are good stewards of the property. The Association maintains the field and provides its own security. Chairman Flynn asked how often the Association's members use the property. Mr. Mendes stated that members utilize the field on a daily basis. The Association provided information to the Water Resources Board regarding environmental concerns and the Board is satisfied that all concerns have been properly addressed and adequate measures have been taken to protect the land and wildlife. Mr. Griffith indicated that he cannot recall any problems associated with the subject License Agreement during his tenure with the Water Resources Board. Mr. Pagliarini noted that the Agreement does not address the payment of a license fee for the Association's use of approximately thirty (30) acres of land. Mr. Mendes indicated that he could not explain why the Board does not assess a license fee for the Association's use of the property. Mr. Pagliarini noted a nominal fee of at least \$1.00 is required to enter into a valid contract. A motion to approve was made by Mr. Griffith, subject to the License Agreement being revised to include a provision concerning the payment of an annual license fee in the amount of \$1.00. Said motion was seconded by Mr. Pagliarini.

Passed Unanimously

ITEM B – Department of Administration – A request was made for approval of and signatures on a License Agreement by and between the Department of Administration and the Rhode Island Historical Preservation & Heritage Commission to allow the Commission to

utilize the State House grounds to hold the 32nd Annual Heritage Day on Saturday, August 29, 2009, with a rain date of Sunday, August 30, 2009. Ms. White indicated that the Commission is expecting approximately 1,000 people to attend this year's event. Ms. White stated that the Division of Facility Management has decided to waive the usual fees associated with the use of the State House grounds as the

Rhode Island Historical Preservation & Heritage Commission is a State-agency. Ms. Monteiro stated that approximately twenty (20) different groups will participate in this event, which celebrates different ethnic cultures and their traditions. The participants dress in costume or regalia when available; showcase their foods, music, arts and crafts. Ms. Monteiro indicated that a stage is erected from which musicians play music from all over the world throughout the day. Ms. Monteiro noted that admission to the event is free of charge and includes a children's tent under which everything is free to the public. The festival begins at approximately 12:00 p.m. and ends at approximately 6:00 p.m. Chairman Flynn asked if the Commission has submitted the appropriate certificate of insurance and whether the required police presence has been secured. Ms. Monteiro noted that the Commission has fulfilled all the requirements in accordance with the License Agreement. A motion was made to approve by Mr. Griffith and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM C – Department of Administration – A request for final approval

of and signatures on the License Agreement by and between the Department of Administration and D.L. Saunders Real Estate Corporation. This matter is deferred to a future meeting of the State Properties Committee at the request of the Department of Administration.

ITEM D – Department of Administration – A request was made for permission to allow the State of Rhode Island to release a reversionary clause from a Deed to former State-owned property located at 265 Oxford Street in the City of Providence. Mr. Mitchell explained that by letter dated June 26, 2009, The Institute for the Study and Practice of Nonviolence (the “Institute”) requested that the Department of Administration release a reverter clause contained in the Deed for the subject property. Mr. Mitchell stated that the reverter clause stipulates that if at any time the property is not utilized for a community oriented purpose then it shall revert back to the State of Rhode Island. Mr. Mitchell explained that if said reverter clause is not released from the Deed, the Institute will not be able to secure the financing necessary in order to rehabilitate the building. Mr. Mitchell deferred to Ms. Sokoloff to address the issue of obtaining the necessary financing. Before addressing the issue of financing, Ms. Sokoloff asked Mr. Gross and Sister Ann Keefe to provide the Committee with information regarding the Institute and its mission. Mr. Gross indicated that the Institute presently manages five (5) programs. The first program teaches problem solving through non-violent behavior; the second program is the street workers who are very involved with law enforcement and respond to every

incidence of gang violence. The street workers are also responsible for gang mediation throughout the State. The Institute presently has street workers in Providence, Central Falls and has entered into discussions with the Cities of Cranston and Pawtucket. The Institute also operates a victim support center, which is the only homicide support group in the State of Rhode Island. The institute, in conjunction with the Department of Children, Youth and Families, also operates a juvenile re-entry program, which provides necessary services to families in need. Mr. Gross stated that in addition to the aforementioned programs, the Institute also operates the largest summer employment program in the City of Providence. Said program is presently responsible for securing employment for ninety-five (95) young people. Mr. Gross explained that the Institute has outgrown its current location and along with many young people and their families the staff is extremely anxious to refurbish and relocate to the 265 Oxford Street building. The new location will allow the institute to provide a GED program as well as an arts and theater program to engage more young people and encourage them to the next level of success. Sister Ann Keefe introduced the Chair of the Board of Directors of the Institute, Nondas Hurst Voll, and Peter Walsh, a member of the Board of Directors of the Institute. Sister Ann explained that several years ago after a particularly tragic period of violence among young people in the City of Providence, the Institute began searching for a space in which it could expand in order to address the issue of escalating violence among young people. At the time, the Convent, which was once the home of the teaching nuns of

St. Michael of the Archangel Church, had been abandoned and left to deteriorate. As an attractive nuisance, the building was becoming a considerable liability to the State of Rhode Island and jeopardizing the safety and wellbeing of local children and the neighborhood. Sister Ann Keefe stated that the State Properties Committee enthusiastically supported the conveyance of the subject property to the Institute and voted to approve the same. Sister Ann stated that the Institute is once again seeking the support of the State Properties Committee and respectfully requests that it allow the State to waive the reverter clause so that the necessary financing can be secured in order to transform this discarded building into a beautiful and productive resource, which will serve the needs of the community long into the future. By way of background, Chairman Flynn explained that the State of Rhode Island transferred the subject property to the Providence Redevelopment Agency (the "PRA") in 2000, as a gratis conveyance. At that time, a reverter clause was included in the Deed, which stipulates that if the property was not utilized for a community oriented purpose it shall revert back to the State of Rhode Island. Two years later, the PRA sold the property to the Institute for a nominal fee of \$1.00. Chairman Flynn noted that since purchasing the property, the Institute has been unable to occupy the building due to its advanced deteriorated condition. Chairman Flynn noted that the building was in terrible condition when they State of Rhode Island transferred it to PRA and was in fact relieving itself of a liability rather than an asset. Chairman Flynn noted that in the interim, the Institute has raised approximately .5

million dollars to make some improvements to the windows and the building's façade in order to secure the structure. The building now needs a substantial amount of additional renovation to be put in to productive use. Chairman Flynn asked Ms. Sokoloff to explain the necessary financing and to describe the tax credits associated with the same. Ms. Sokoloff explained that no one from the Institute is opposed to the existence of the reverter clause; however, while attempting to put together the financing for this project, it became obvious that the reverter clause would prevent the Institute from securing the necessary funding. The Institute was awarded \$500,000.00 from HUD, the City of Providence, City CDBG and City bond money to accomplish the preliminary renovation to secure the building. Ms. Sokoloff indicated that even prior to said preliminary renovations, upon obtaining the property the Institute expended substantial funds to board up and secure any and all access to the building to prevent individuals from entering the premises and harming themselves. Ms. Sokoloff explained that her office was hired in January of 2008, to work out the major source of funding. A number of sources were examined and it was determined that the best vehicle was new market tax credits. The Institute is also taking advantage of both state and federal historic tax credits. In addition, the Institute received \$500,000 from the Champlin Foundation's Challenge Grant, and because the Institute was able to raise \$500,000.00 from January 2009, to March 2009, the Champlin Foundation matched said funds. Ms. Sokoloff stated that the total cost to convert the present structure into a bona fide community

center is 5.6 million dollars. Ms. Sokoloff stated that the Institute is making a tremendous investment in this property and in the neighborhood. The major source of the necessary funding is the new market tax credits. Ms. Sokoloff explained that without delving into too much detail, the allocating agency for this funding is the Massachusetts Housing Investment Corporation (the "MHIC"). The MHIC is a non-housing project; however, the new tax credits, which became available, have been allocated to MHIC by the federal government. Ms. Sokoloff indicated that in November 2008, representatives from the MHIC visited Rhode Island to view four of (4) redevelopment projects, Ms. Sokoloff indicated that the relocation site for the Institute became the MHIC's number one choice of all four proposed project. Chairman Flynn questioned whether the MHIC is allowed to contribute funds to projects proposed in other states. Ms. Sokoloff stated that the MHIC is authorized to spend its allocated funds anywhere within New England. Ms. Sokoloff stated that the Board of Directors of the MHIC approved the contribution of funds to the Institute's project on July 21, 2009. Ms. Sokoloff stated that there are many funding sources for this project, which include US Bank, the Champlin Foundation; community development, stimulus money, Federal Historic Tax Credits and MHIC Funds. Ms. Sokoloff respectfully requested that the State Properties Committee approve the release of the reverter clause presently contained in the deed as it is clearly the intent of the Institute to utilize the subject property for a community oriented purpose and the release of said reverter clause will allow the Institute to secure the available and necessary funding

to proceed with the renovation of this building. Mr. Walsh commented that from a banking perspective this transaction cannot be accomplished without the waiver of the reverter clause. He stated that because of the financing structure, the project will most certainly be derailed in the event the reverter clause is not released. For the benefit of the Committee, Mr. Walsh explained the financing structure in more detail. Chairman Flynn noted that if the State of Rhode Island does not waive the reverter clause and the property returns to the State, the State will essentially be back where it started in that it will own and be liable for badly deteriorated building without the resources to renovate it. Ms. Allaire-Johnson expressed concern relative to the Committee setting a dangerous precedent for future requests to waive reverter clauses because of financing issues. However, based upon the Institute's representation with regard to the tax credit issues and the presentation of information concerning the institute itself and its intended use of the property, Ms. Allaire-Johnson stated that her concerns have been alleviated and she supports the waiver of the reverter clause because of the uniqueness of this particular request. Mr. Griffith concurred and stated for the record that the Committee's approval of the Institute's request to waive the subject reverter clause should not, in any way, be misinterpreted and/or invoke a precedent relative to the consideration of any such other requests. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

Attorney Mitchell state that he was not in possession of the actual

document at this time; however, he indicated that he would submit the same to the Committee for execution as soon as it became available.

ITEM E – Department of Corrections – A request was made for permission to initiate lease renewal negotiations for space located at the East Bay Government Center, One Joyce Street in the Town of Warren. Mr. Ryan explained that the Department of Corrections occupies 1,674 square feet of space on the second floor of the East Bay Government Center. The Department has enjoyed a very good working relationship with the Town of Warren. Mr. Ryan noted that in fact the Warren Police Department is located on the first floor of the building and there is a great deal of interaction between the Adult Probation and Parole Unit and the Warren Police Department. Mr. Ryan indicated that the Department of Corrections is currently paying .21¢ per square foot, which equates to just slightly more than \$17,000.00 annually for said premises. That amount includes base rent, all utilities, janitorial services, parking and snow and ice removal. Mr. DeFino noted that the Adult Probation and Parole Unit currently comprises eight full-time employees. The staff is responsible for the supervision of approximately 800 offenders who reside in the Bristol/Warren/East Providence area. Mr. DeFino stated that the working relationship between the Warren Police Department and the Adult Probation and Parole Unit is critical in terms of public safety and the locating of offenders in that community. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Department of Revenue/Division of Motor Vehicles – A request for conceptual and final approval of the First Amendment to Lease by and between the Department of Revenue/Division of Motor Vehicles and Apex Development Company, LLC. This matter is deferred to a future meeting of the State Properties Committee at the request of the Department of Revenue/Division of Motor Vehicles.

ITEM G – Department of Environmental Management – A request for approval of and signatures on a Purchase and Sales Contract by and between TAI-O Associates, L.P. and the Department of Environmental Management for the acquisition of approximately 15,750 square feet of land located on Roosevelt Avenue in the Cities of Central Falls and Pawtucket. This matter is deferred to a future meeting of the State Properties Committee at the request of the Department of Environmental Management.

Passed Unanimously

ITEM H – Department of Environmental Management – A request was made for approval of and signatures on a Warranty Deed and three (3) Conservation Easements Agreements over approximately 623 acres of land located in the Town of Hopkinton; referred to as the Grills II Property. Ms. Primiano presented a map for the Committee's review. Ms. Primiano explained that in 2007, the Department of Environmental Management, working with The Westerly Land Trust, acquired a conservation easement over approximately 420 acres of land located along the Pawcatuck River. Said property is held by The Westerly Land Trust and co-managed by the Department of Environmental Management and provides public fishing and canoe access as well as

hiking. Ms. Primiano explained that the Department is now proposing to acquire fee interest in Parcel A. As Parcel A abuts the Burlingame Management Area, the Department would deed a conservation easement back to The Nature Conservancy. Ms. Primiano indicated that the Department would hold a conservation easement on Parcel B, which is referred to as the Grills II Management Area. A conservation easement over 224 acres of Parcel C would be given to the Department at no cost by The Nature Conservancy simply to ensure it is protected by a third party. Ms. Primiano stated that if the Committee approves the Department's request today, a total of approximately 5,000 contiguous acres of land will be preserved in this area. Ms. Primiano stated that this project is one hundred (100%) percent federally funded through a Statewide Life Incentive Grant, which was awarded to the Department by the United States Fish and Wildlife Service with the primary service of protecting wildlife habitat. Chairman Flynn noted that the purchase price is considerably less than the appraised value. Ms. Primiano explained that \$570,000 is the federal portion and the State's share; the total value of Parcel A and Parcel B are \$1,000,070.00. The additional funding is provided by the Town of Hopkinton, working through its Land Trust, and The Nature Conservancy via a grant from the Champlin Foundation. Mr. Pagliarini asked what the Hopkinton Town Council's position is with regard to this transaction. Mr. Pagliarini noted that Hopkinton is a community that has experienced problems with property taxes and it appears the Department will be removing an additional \$200.00 from its assessable roll. Mr. Pagliarini asked if the Town Council gets a

vote relative to this transaction. Ms. Primiano indicated that the Town Council does get a vote and in fact the Hopkinton Land Trust is a municipal land trust; therefore, the guidance to the Trust comes from the Town Council. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement by and between the Department of Environmental Management and the City of Providence to allow the Department to locate a meteorological tower (the “tower”) at Camp Cronin in the Town of Narragansett. Ms. Kay explained that the City of Providence owns a portion Camp Cronin, which abuts property managed by the Division of Fish and Wildlife. In order to erect the tower, the Department of Environmental Management needs to obtain access and an easement over a small portion of the property owned by the City of Providence. Ms. Kay indicated that there is no monetary consideration associated with the License Agreement. The term of said License Agreement shall commence on June 15, 2009, and continue through October 31, 2010, with an option to renew for an additional two (2) years if necessary. Mr. Getz indicated that the Department of Environmental Management has been working with Governor Carcieri to explore available options to increase renewable resources in the State of Rhode Island. One option under consideration is the possibility of erecting wind turbines to generate green energy in the Town of Narragansett as the Town has some of the strongest winds in the State of Rhode Island. Mr.

Getz indicated that the purpose of the tower is to measure wind speed and direction and to determine the exact resources available in that area. Mr. Getz provided the Committee with a site map and illustration of the tower. The tower is 164 feet tall and has numerous guywires attached to it. Mr. Getz described the location of the tower and indicated that in the unlikely event the tower was to collapse, there is a possibility that a portion of it could land on the City-owned property. The tower's location was carefully considered and said location was chosen to minimize impact on wetlands. Mr. Getz indicated that the City of Providence supports this project and has agreed to grant the Department access over a portion of its property. Ms. Kay stated that the tower is being loaned to the State of Rhode Island free of charge from Roger Williams University. Chairman Flynn asked if the Department intends to dismantle the tower when these studies are completed. Mr. Getz indicated that the tower will be erected for approximately one year and then dismantled and removed from the site. Mr. Pagliarini asked if the tower's location is the proposed location of the wind turbines. Mr. Getz indicated that this is not the proposed location for the actual wind turbines. Mr. Pagliarini asked if the Department must obtain approval from the Town of Narragansett Zoning Board relative to the height of the tower. Mr. Getz stated that the Department has been working closely with the Town of Narragansett and intends to provide the Town with information and data collected from the tower. Mr. Getz indicated that both the Town of Narragansett and the City of Providence support the project. A motion to approve was made by Ms. Allaire-Johnson and

seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Transportation – A request was made for approval of and signatures on a Grant of Easement Agreement by and between the Department of Transportation and the Narragansett Electric Company to provide service to the Stop & Shop Supermarket located at 1925 Pawtucket Avenue in the City of East Providence. Mr. Jackson presented photographs of the site for the Committee's review. The Department will receive a one-time fee of \$600 from the developer of the Stop & Shop Supermarket. A motion to approve was made by Mr. Pagliarini and seconded by Ms. Allaire-Johnson

Passed Unanimously

ITEM K – Department of Transportation – A request was made for final approval to advertise a Request for Proposals ("RFP") to solicit bids for the sale of 72,224 square feet of land together with a replacement Park-n-Ride located within close proximity to the confluence of Route 102 (Ten Rod Road) and Route 2 (Quaker Lane) in the Town of North Kingstown. Mr. Carcieri stated that the Department of Transportation is before the Committee today and is both apologetic and somewhat embarrassed. Mr. Carcieri explained that the Department developed a RFP seeking to sell a park-n-ride facility located at the intersection of Route 2 and Route 102 referred to as the Fiddle Sticks Park-N-Ride. Said facility accommodates approximately eighty (80) vehicles and is nestled amid extensive commercial development, which includes a Home Depot, Dunkin Donuts, Washington Trust Bank and directly across the street a Stop

& Shop Supermarket. Mr. Carcieri explained that approximately eighteen months ago, the Department was approached by two (2) developers seeking to purchase the subject property for commercial development and replace the park-n-ride near its present location. In response to those requests, the Department developed the RFP document, which the Department proceeded to make public on July 8, 2009. The Department advertised the RFP in the Providence Journal and commenced a pre-bid conference during the last week in July, 2009, which was attended by a dozen interested parties. Mr. Carcieri explained that the embarrassing part of the matter is that in developing the RFP, the Department neglected to obtain the State Properties Committee's approval to go public. The response to the RFP has been considerable, but unfortunately the prerequisite of obtaining the Committee's approval was overlooked. The Department's history in terms of seeking the pre-approval of the State Properties Committee is a good one. Mr. Carcieri stated that the oversight of the pre-approval was inadvertent, but overlooked nonetheless. The mechanics of the RFP provide that there will be an exchange of parcels. The Department will sell into private hands the current RFP and then a new RFP location site upon which the proposer would build the new park-n-ride facility in accordance with the Department's specifications will be returned to the State. Any differential in the values of the nature of the two (2) parcels would only accrue to the State of Rhode Island.

Mr. Carcieri explained that if the State's property is worth more than the property it will be receiving, the State will be paid the difference

and have a new park-n-ride facility constructed. Conversely, if the State's property is worth less than the property it receives, the State will pay no differential amount and still have a new park-n-ride facility constructed. The Department indicated that it wants the new park-n-ride facility located as close to the present site as possible. The new site will be subject to the approval of both the Department of Transportation and the Rhode Island Transit Authority. Chairman Flynn asked if the RFP speaks to the size of the new park-n-ride facility. Mr. Carcieri stated that the Department is asking that the new site be increased in size by approximately twenty-five (25%) percent to accommodate the current facility's growing pains. Mr. Pagliarini commented that it is his understanding that the Town of North Kingston enthusiastically supports this project. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion was made to enter into Executive Session by Mr. Griffith and seconded by Mr. Pagliarini: A roll call vote was taken and the votes were as follows: Mr. Griffith voted "Aye", Mr. Pagliarini voted "Aye", Ms. Allaire-Johnson voted "Aye" and Chairman Flynn voted

“Aye”.

The State Properties Committee closed the Executive Session and returned to

the open session of the meeting at 11:05.m.

A motion to seal the minutes of the Executive Session until such time as the matter is resolved was made by Mr. Griffith and Seconded by Mr. Pagliarini.

Passed Unanimously

ITEM E1 – Department of Transportation – A request was made for approval to proceed with the acquisition of a Permanent Easement by virtue of Condemnation Plat 2725 for the installation of a traffic monitoring station in connection with the highway improvements to Route 138 (Main Road) in the Town of Tiverton. After discussion in Executive Session, a motion was made to approve by Mr. Griffith and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM E2 – Department of Transportation – A request was made for approval to proceed with the acquisition of a temporary easement and a permanent easement by virtue of Condemnation Plat 2693A and to negotiate a new Temporary Easement Agreement with the Town of Barrington in connection with the replacement of Barrington Bridge No. 123. After discussion in Executive Session, a motion was made to approve by Mr. Griffith and seconded by Mr. Pagliarini.

Passed Unanimously

There being no further business to come before the State Properties

Committee, the meeting was adjourned at 11:06 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Pagliarini. Passed Unanimously

Holly H. Rhodes, Executive Secretary